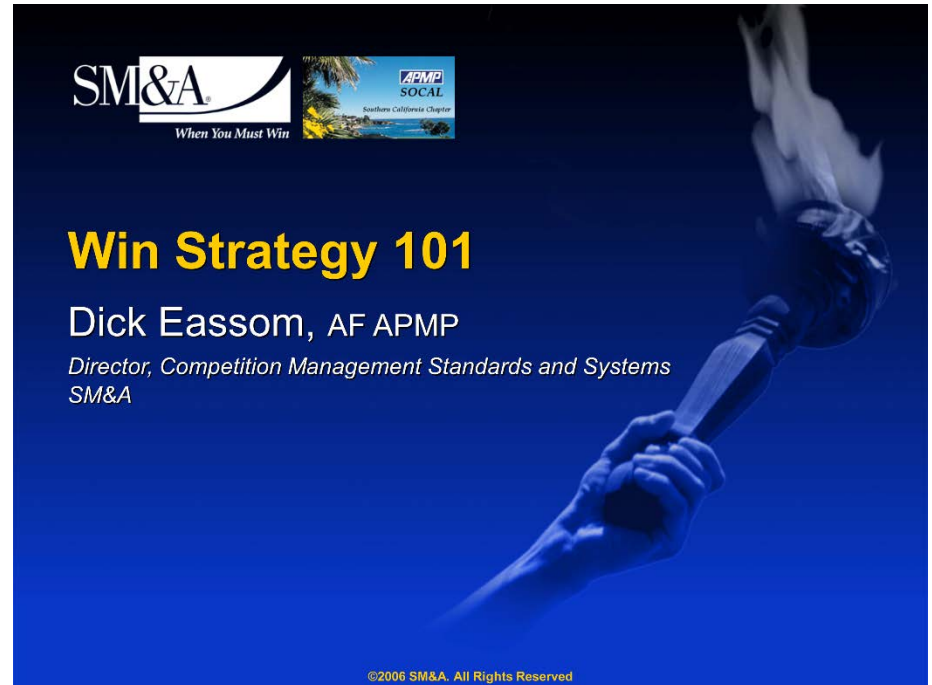# Win Strategy
Actions We Take, not Attributes We Have

Dick Eassom, CF APMP Fellow

VP Corporate Support

Once upon a time…

"Win Strategy 101"
APMP Southern California
Chapter, 2006

Time for a refresher!

How many times have you heard?

Proposal: What's our Win Strategy?

Sales: What?

Proposal: How are we going to win?

Sales: The customer really loves us*

* Hint: not a Win Strategy

What is Win Strategy?

- Win Strategy defines a set of conditions, implemented by actions, critical to winning
  - Some actions may be painful
  - Some are seemingly impossible
- Win Strategy must be developed early
  - To guide teaming, key personnel, organization
  - And to guide customer contact
- Win strategy is adopted by a formal team
  - Written in concise text
  - Posted conspicuously in the war room
  - Statused at least weekly

Win strategy is the actions that we take, not the attributes that we have

Successful Win Strategies unify the team

- Participation in strategy formulation and evolution results in:
  - Understanding
  - Ownership
- Understanding and ownership have great benefits:
  - Makes it easy for the team to evaluate its actions against the Win Strategy
  - Creates a highly consistent set of proposal products
  - Raises team morale

A sound win strategy has a multiplier effect

Win Strategy influences all phases

- Prior to the Draft RFP, strategy influences:
  - Team formation, organization and investments
  - Interactions with the customer to shape the procurement, e.g. white papers, briefings, deliverables, suggested requirements and evaluation criteria (L&M)
- Upon Draft RFP release, strategy influences our response:
  - Winning teams focus on important issues
  - Offer customer RFP changes with solid rationale
- During proposal development, strategy influences:
  - Creation of all proposal products
  - Concurrent activities: executive contacts, advertising, trade shows, etc.

Win strategy coordinates the long-term effort

The key elements of a Win Strategy

1. **The Institution**: the formal legal and business arrangements and relationships with team members and the customer

2. **The Organization**: how human resources are organized and managed to best resonate with the customer

3. **The Program Plan**: the program management strategy

4. **System Engineering**: the systematic analysis and technical approach to best meet customer requirements

5. **The Deal**: the total financial considerations/benefits of relationship with the customer over the entire program lifecycle

The customer's balanced objectives

The RFP Sweet Spot

Customer's budget

Policy and users' requirements

Capabilities of most credible competitors
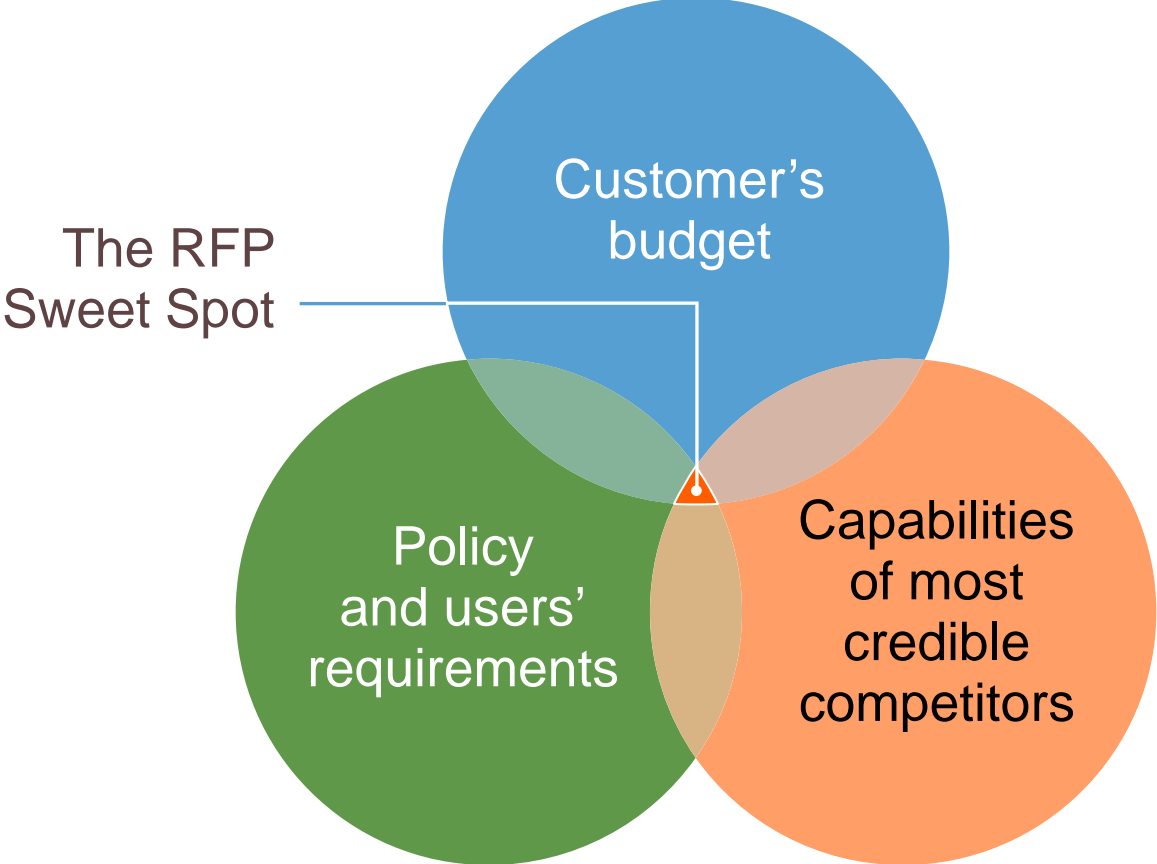
The customer shapes the RFP to meet objectives of affordability, utility, and competitiveness

Win Strategy: changing reality

- Offer what customer wants
  - Offer what wins!
- Change what the customer wants
  - Redefine what wins!
- Bias definition of what customer wants
  - Change evaluation priorities away from competitors' offerings

What customer wants

What wins!

What we have to offer

Competitive environment
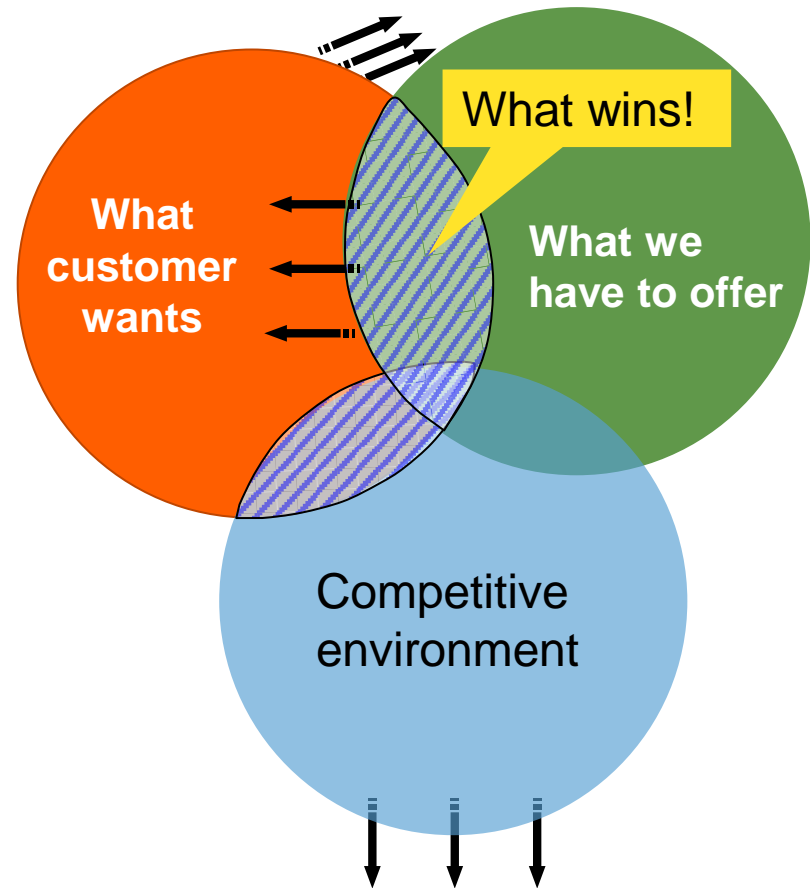
Win Strategy aims to change reality – increasing the intersection between what we offer and what the customer wants

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Win Strategy Development Process

Why we have a Win Strategy development process

"Victorious warriors win first and then go to war, while defeated warriors go to war first… and then seek to win."

"The Art of War"
Sun Tzu
General, strategist, philosopher
544–496BC

Who should be on the Win Strategy team?

7 to 8 people, all at the same management level

- Program Manager
- Chief System Engineer
- Proposal Strategist
- Proposal Manager
- Business Development customer representative
- Surrogate customer (consultant)
- Acquisition environment (consultant)
- Major team partner (added later)

Program Management

Program Technical

Proposal Leadership

Surrogate Customer & Buyer (consultants)

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The Win Strategy team

The Win Strategy team drives the winning campaign

Facts

Perceptions & judgments

Vision

Specific actions

Periodic reassessment

Opportunity overview

Client's issues
Competitive issues

Winning end state

Action plans

Validation

Win Strategy

Influence acquisition strategy

Guide marketing campaign (customer, user)

- Trade shows
- Advertising campaigns

Drive formal submissions

- Written proposal
- Oral presentations
- Demonstrations

The Win Strategy team defines strategy applied to all aspects of the effort

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Win Strategy Steps

Win Strategy Step	Objective	Lead
Program Overview	Establish the acquisition environment baseline	Program Manager
Evaluation Factors	Define the customer wants and needs	Capture Manager
Competitive Assessment	Isolate the key strengths and weaknesses of each item	Business Development
5 Keys of Win Strategy	Identify the decisive actions that ensure a win	Proposal Manager
Action Plans	Detail plans to implement the win strategy	Strategy Element Monitors

Each Win Strategy Step has a different lead

Win Strategy Step: Program Overview

Approach

- Assemble database of program facts and opinions
  - Acquisition objectives, budget, and schedule
  - Decision making hierarchy: buyer, user, developer, and decision maker (SSA)
  - Program history and relevant issues
- Provide package to all members of strategy team
  - Distribute and read prior to first team meeting
  - Summarized at the first meeting

Lead

- Program Manager

Product

- Compendium of program history and background

The Program Overview step baselines acquisition information as basis for strategy formation

Win Strategy Step: Evaluation Factors

Approach

- Determine "what wins?" for each of the customer organizations
  - Buyer
  - System developer
  - User
  - Decision makers (SSEB/SSA)
- Predict what may change between now and the release of the RFP
- Define a prioritized list of "perceived" procurement evaluation factors

Lead

- Capture Manager

Product

- Preliminary list of probable evaluation factors and subfactors

The Evaluation Factors step captures perceptions of organizations that influence the procurement decision and the factors that shape the decision

Win Strategy Step: Competitive Assessment

Approach

- Perform an assessment of the strengths, weaknesses, opportunities, and threats for each probable competitor including a self assessment against the same criteria
- Identify "what wins" for each probable competitor
  - What conditions need to exist for each team to win "hands-down?"
  - What evaluation priorities will favor which team?
- For each competitor, develop the customer's 25-word press release explaining why he chose them as a winner
- Now write the 25-word speech describing why we lost

Lead

- Business Development

Product

- First draft list of ghosts to be addressed in strategy and proposal

The Competitive Assessment step develops and documents a consensus of the competitive environment

Win Strategy Step: the Five Keys

Approach

- Identify statements creating a "what wins" action for each of the five win strategy keys (all on a single slide)

Institution	Organization	Program Plan	Systems Engineering	The Deal

- Force aggressive actions that will drive the win
  - Create winning discriminators
  - Mitigate losing discriminators
  - Prioritize the team's effort

Lead

- Proposal Strategist/Manager

Product

- Single slide stating five key win strategies

The Five Keys step formulates enforceable strategic actions that drive a win

Win Strategy: The Five Key Elements

Institution

The overarching infrastructure that links the prime (and all of its parts), the team members, and the customer(s).

It is created to clearly meet program objectives, to exploit core team strengths, and to eliminate critical team weaknesses.

Organization

The way in which the team is structured, the capabilities of the personnel, the commonality of tools and processes, the distribution of authority and incentives, and the team-wide communications.

It is created to clearly meet program objectives, to exploit core team strengths, and to eliminate critical team weaknesses.

Win Strategy: The Five Key Elements (cont.)

Program Plan

The cost-driven plan (IMP) and schedule (IMS) that meet program objectives, provide program flexibility, mitigate schedule risk, and apply lessons learned from previous and current programs

Systems Engineering

The process, people & tools used by the team to make fundamental decisions, balancing evolving program objectives and risks: mission, technical, cost, schedule

The Deal

The total financial relationship with the customer, over the program life cycle, that meets customer fiscal objectives, and minimizes the customer's fiscal risk

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Five Keys of Win Strategy - Institution

Typical discussion questions:

- How do customer needs/issues drive selection of the lead organization?

- What are the winning relationships between the lead and sister organizations within the company?

- Where do we need to augment the lead organization capabilities (real or perceived)?

- What other companies can/should join us?

- How can formal relationships (teaming arrangements) be used to further win strategy, e.g. prime/sub, associate contractors, joint ventures?

Create "open teaming model" that wins but does not thwart competition

**HINT:
Institution involves organizational decisions "above pay grade" of the Program Manager**

The Institution strategy focuses on creation of a business entity designed to win, not just execution (can't execute without winning)

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Five Keys of Win Strategy - Organization

Typical discussion questions:

- What are attributes of a program manager and product team (IPT) leads that are needed to win?

- What geographic and political customer issues should influence the organizational decisions?

- How can planned customer interface with our organization improve win probability?

- How should the proposed product team (IPT) structure reflect the customer's organizational structure?

- What attributes and characteristics of enterprise-wide management of information and reporting will affect the customer's selection of a contractor?

Map your organization map to the evaluation criteria, and choose people who relate to evaluators

HINT: Organization involves operational structure decisions typically decided within the strategy development team

Organization strategy defines personnel and relationships that maximize win probability

Five Keys of Win Strategy - Program Plan

Typical discussion questions:

- What would the customer say is the biggest program risk?
- What single event/action would virtually eliminate that risk?
- How could we influence that event/action?
- What are the customer's schedule issues associated with this program?
- Is there an issue for the customer of keeping the program sold? If so, what could the contractor do to help it stay sold?
- What would convince the customer that risk has been eliminated?
- What can we do to strengthen product team (IPT) ownership of the program plan?
- What level of program planning is necessary to convince the evaluator of low proposal risk?

The best plan often wins – agonize over the plan and its justification, and build in needed flexibility

> **HINT: Program plan strategy goes to the heart of proposal risk evaluation criteria and the customer's general concerns about the program as a whole**

The Program Plan strategy focuses upon mitigation of proposal risks, a crucial evaluation criterion

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⚙ Five Keys of Win Strategy – Systems Engineering

Typical discussion questions:

- What are critical program attributes (mission, cost, schedule, risk) that bound trade space?
  - How should that influence the team's discretionary investments?
- What are the primary criteria that drive system-level trades?
- How should we augment our existing tool set and expertise?
- Do different segments of customer community prioritize trade criteria differently? How can we exploit that in our favor?
- What level of detail is necessary/appropriate for the technical baseline in this procurement?
- How should we improve our systems engineering process to be responsive to changes in the procurement environment?

It is the process of how you get there, not design details that count

HINT:
Systems Engineering involves definitions of process, decision criteria, and general understanding of customer needs and priorities

The Systems Engineering strategy focuses on creation of trade space leading to baseline offering

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Five Keys of Win Strategy - The Deal

Typical discussion questions:

- What is more important to the customer acquisition costs, funding profile, or total cost of ownership?

- Can this program be used to create offsets on international programs?

- What are significant cost risks, and how can assuming cost risk be used to our advantage?

- How can financial packaging be used to create an advantage?
  - Guarantees, warranties, rapid repair/replace programs
  - Economies-of-scale discounts
  - Fixed cost/no-cost pre-planned product improvement (P3I) programs

- How can we take advantage of current acquisition streamlining initiatives in an innovative manner?

Determine all economic issues facing the customer and address them credibly

**HINT:
The Deal may be the place for the greatest level of innovation – think above the program level**

The Deal focuses on creation of an offer that takes full advantage of all market elements (not just price)

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Win Strategy Step: Action Plans

Approach

- For each of the five strategic actions defined by the strategy team:
  - Assign a "Strategy Element Monitor" or "Champion"
    - Creates tactics and analysis for presentation to the strategy team
    - Prepares an action plan to accomplish the strategy element
    - Maintains oversight of strategy element for the life of the proposal
  - Provide examples and suggestions of actions that would support the strategy
  - Establish a date for review of the action plan by the strategy team
- Conduct periodic in-process reviews of progress against action plans and refine strategy as necessary:
  - Ensure effective application of strategy to influence all products seen by procurement decision makers

Leads

- Strategy Element Monitors

Product

- Detailed action plan (and schedule) for the five strategy statements

The Action Plans Step translates the five key strategic statements into specific accomplishment actions

Example of Win Strategy decomposition

Win Strategy Validation Action

1. We will build an all-NDI* design or equivalent. We will not bid a design and development program.

2. We will propose what is essentially a test program with strong feed-back into the design. We will work interactively with the government to finalize, demonstrate, and validate that design and thereby assure a minimum risk transition to the production phase.

3. We will demonstrate that we are qualified and committed to execute the production phase.

Implementing Actions must be entered into the Compliance Matrix

Implementing Actions taken in the proposal

Read All About it in Prop. Sec. No.

1.1 We will have always selected "off-the-shelf" hardware unless doing so forces us to be clearly nonresponsive to requirements — ?

1.2 We will have extensively rationalized the selection of the non-NDI hardware — ?

1.3 We will have made arrangements to have all non-NDI hardware developed at vendor cost — ?

1.4 We will have made arrangements to have all non-NDI hardware demonstrated prior to ATP — ?

1.5 The software architecture and key elements thereof will have been demonstrated to meet applicable requirements (how? On what testbed? Against what specs?) with particular emphasis on interfaces — ?

1.6 All but interface and integration software will be shown to be NDI and provided by the hardware vendors (?), or reused from other XYZ programs, such as ABC (so that we do not need to price it) — ?

1.7 Integration and interface software that is not NDI will have been fully defined and documented in the proposal — ?

1.8 Key design features of integration and interface soft-ware yet to be developed will have been verified on (?) — ?

1.9 We will have further minimized the apparent software risk by showing that our software development processes are equivalent to SEI rating of 3 — ?

* NDI = Non-Developmental Item, i.e. off the shelf existing design
ATP = Authorization to Proceed, i.e. start of development
SEI = Software Engineering Institute, i.e. software maturity level

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How Win Strategy is Reflected in the Proposal

Strategy:

• Low cost through maximum use of existing (NDI) hardware

Proposal:

• Highlight amount of off-the-shelf hardware being proposed
• Show trades indicating advantage of off-the-shelf hardware
• Offer data showing that available hardware meets requirements
• Assert that vendors will absorb cost of any custom (non-NDI) hardware

Win Strategy example: Organization

Organization

Good: Build an organizational structure led by key personnel with proven performance, known by the customer, and with explicitly relevant experience.

Starts with a verb!

Bad: Our President/Program Manager is personally experienced with the program sites and leads an IPT-based badge-less team that partners with the customer. They work together to ensure a high degree of personnel crossover from the incumbent.

What we have now, not what we need to do

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Symptoms of Win Strategy process drift

Symptom	Process Failure
Strategy statements become adjective-heavy instead of activity-oriented	Degeneration to attributes and themes instead of aggressive actions
Creative thinking process begins with a discussion of facts about "us" instead of about "the customer"	Gravitation towards a bottoms-up process instead of being driven by top-down objectives
Discussions center on "what can be done" instead of "what virtually guarantees a win"	Becoming "what is" instead of "what wins"

Despite the best intentions of the strategy development team, the evolving win strategy will tend to drift during the development process

Summary

- Strategy defines a set of conditions, implemented by actions, critical to winning
- Win strategy influences all phases of the opportunity capture and proposal
- There are five key elements of a Win Strategy:

  Institution

  Organization

  Program plan

  System engineering

  The Deal

Win Strategy: actions we take, not attributes we have

Summary: Win Strategy Steps

Win Strategy Step	Objective	Lead
Program Overview	Establish the acquisition environment baseline	Program Manager
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5 Keys of Win Strategy:	Identify the decisive actions that ensure a win	Proposal Manager
Institution Organization Program Plan Systems Engineering The Deal		
Action Plans	Detail plans to implement the win strategy	Strategy Element Monitors

How we got to the "5 Keys"

REDONDO BEACH, Calif. – Aug. 17, 1999 – A TRW/Raytheon team won a $275 million contract from the US Air Force for the Program Definition Risk Reduction (PDRR) phase of the Space-Based Infrared System Low (SBIRS Low) program, the low-Earth orbiting component of the nation's next-generation, ballistic missile early-warning system...

"SBIRS Low is an extremely key program for us, and we're very pleased to have been chosen to proceed to the next phase of its development," said Tim Hannemann, Executive VP and GM, TRW Space & Electronics Group (S&EG). "We have the right team **(Institution)**, experienced people **(Organization)**, and the resources to develop an affordable, producible design **(Systems Engineering)** that satisfies the nation's needs at a low cost **(Deal)**."

"SBIRS Low will provide a significant capability for national defense, and we are proud to be a part of the integrated Air Force and contractor team **(Organization)** that will define and develop a payload to meet these critical mission requirements," said Christine Davis, executive VP and GM of Raytheon's Sensors and Electronic Systems business segment. "Our plan includes a focus on design and cost trade studies **(Systems Engineering)**, and on risk reduction efforts **(Program Plan)**, to ensure the success of this program."

Heading the program at TRW is Patrick Caruana, VP and program manager, SBIRS Low. Prior to joining TRW in 1997, Caruana spent 36 years as a member of the Air Force, serving in a full range of leadership and staff positions and achieving the rank of Lieutenant General. In his last position, Caruana served as the vice-commander of Air Force Space Command, Peterson Air Force Base, Colorado **(Organization)**.

TRW and Raytheon have dedicated more than 15 years to the SBIRS Low mission **(Institution)**. The team's approach to the ground demonstration will maximize the use of previous efforts and existing software, hardware, models, simulations and data **(Systems Engineering/Program Plan)**.

Questions?

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